Stewart

Bondholders' Conspiracy to
demonetize Silver

The Silver Question.

BY

WM. M. STEWART.

Bondholders' Conspiracy to Demonetize Silver.

LEGISLATION AFFECTING NATIONAL DEBT

—AND—

GOLD AND SILVER.

UNFAITHFUL TREASURY OFFICIALS.

HOSTILITY OF NATIONAL BANKS.

Independent Financial Policy for the United States.

FREE COINAGE OR ENFORCEMENT OF EXISTING LAWS.

By WM. M. STEWART.

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WAR ON SILVER.

The silver question is a contest between European bondholders and the laborers of the world. The National Banks of the United States are the allies of European bondholders. While the demonetization of silver would necessarily destroy silver mining, that fact is of little consequence compared with the disastrous effect it would have upon society. It would destroy the confidence of the masses in the good faith of their rulers. Nihilists, socialists, communists and other disturbers of the public peace are powerless so long as the people believe substantial justice will be administered under the present systems of government.

The proposal to demonetize silver is in violation of existing contracts for the payment of money. It emanates from a bondholding directory in Europe, and its purpose is to enhance the value of all obligations for the payment of money.

To appreciate the designs of the bondholders, and to understand their motives in this war upon silver, it is necessary to consider the bonded debt which they control.

The national debts of the world aggregate over $26,000,000,000, all of which is substantially controlled by a small European syndicate. If we exclude India, China and Japan, with a population of about 662,000,000 and a debt of about $1,100,000,000, the national debts of the remaining civilized countries are, in round numbers, $25,000,000,000, and the other indebtedness of the same countries is estimated to be several times the amount of the national debts. But if we assume that all other bonded obligations are only equal to double that amount, we have a total of $75,000,000,000. The nations owing this debt have a population of 488,000,-

000, about 38,000,000 of whom are not sufficiently civilized to pay taxes. Of the remaining 450,000,000, not more than one in four is a producer; that is to say, only 112,500,000 are productive laborers. This one-quarter must therefore not only support the other three-quarters, and supply armies and navies (for purposes hereafter noticed), but it must pay an annual interest of at least four per cent. on $75,000,000,000. If the duration of a generation is assumed to be thirty-four years (which is according to recent estimates), the enormous sum of $102,000,000,000 must be paid by each generation for interest alone. If nothing but gold will satisfy this demand, who can estimate the days or hours of toil requisite to procure it? If, in addition to this, the debts of the world continue to increase in the future—which is most probable in view of the fact that during the present century they have increased more than 300 per cent.—the burden of the producer must be correspondingly increased.

All countries, however, are not equally involved. The United States, with greater resources than any other country, owes comparatively a small debt. Based upon the foregoing ratio of debt to population, a producer in this country would probably be required to pay only about $500 on interest account in a generation of thirty-four years, if our bonded debts—national and corporate—should remain what they now are, without increase or diminution. But it is to be hoped that our national debt will soon be paid, and the people of the United States liberated from its depressing influence. In Europe, however, the situation is different. For example: In France each individual producer (on the assumption that thirty-four years is the period of a generation), must pay on interest account alone more than $2000, with no prospect of relief.

CONDITION OF THE DEBTOR.

A contract of indebtedness is an undertaking on the part of the debtor to deliver at a future time to the creditor

a certain amount of property or money named in an obligation. The condition of the debtor owing money is precisely analogous to that of a person who agrees to deliver wheat, corn, cotton, or other farm product, at a future time, or after the same shall have been harvested. If his crop is good, the seller can deliver the article required at the designated time; but if his crop fails, it may become difficult or even impossible for him to comply with his contract. His condition is also like that of a person who sells stock "short." That is, he agrees to deliver at a future time a certain number of shares which he does not then possess. If, when the time for delivery arrives stock is plenty, the contract can be easily performed; but if the stock has been "pooled," or by any other means taken out of the market, compliance may be impossible.

BONDED DEBT PAYABLE IN GOLD OR SILVER.

The $75,000,000,000 bonded debt was, at the time it was contracted, an agreement on the part of the debtor to deliver to the creditor at the various times named in the several contracts, either gold or silver, at the option of the debtor. If silver is to be withdrawn from the money of the world so that it cannot be delivered by the debtor in discharge of his obligation, the contract will be changed and the debtor injured. Money will be scarce—there will be a failure in the crop of coin; in other words, demonetization of silver means a "corner" in money.

AMOUNT OF COIN IN CIRCULATION AN ELEMENT IN ALL CONTRACTS.

The amount of silver coin in the world when the war on silver commenced is supposed to have been about equal to the amount of gold coin. All contracts were made with reference to the amount of coin in circulation, relying on the probable production of the mines to keep good the world's stock of money. If the mines of either metal are more productive than usual, the debtor is benefited, and the creditor

has no reason to complain, for that contingency entered into the contract. Nor can the debtor complain if the mines cease to produce, for he contracted to deliver coin, and made no condition relieving him of his contract in consequence of scarcity of coin resulting from natural causes. So long as the option of the debtor to pay in either gold or silver remains, and the units of money are unchanged, the obligation of the contract is not violated. It is true when both gold and silver are used as money, the amount of coin in the world as compared with wealth and population fluctuates, and the value of money changes. This cannot be remedied until some device shall be adopted by governmental action, whereby the number of units of money shall bear a fixed relation to the wealth and population of the country in which such money is circulated.

UPON WHAT THE VALUE OF MONEY DEPENDS.

The value of a unit of money in any country must depend upon the number of such units in circulation as compared with wealth and population, and not upon the material of which the money is manufactured. The ratio between the wealth and population of most countries is practically a fixed ratio; in other words, the increase or decrease of the population will substantially indicate the increase or decrease of the aggregate wealth of a nation. If, therefore, the ratio of units of money to the number of inhabitants of a country remains the same, it will preserve a fixed ratio of money to both wealth and population. A monetary system, therefore, regulated as to the number of units in circulation by the number of inhabitants of the country in which such money is circulated, will approximate as nearly as practicable to a perfect system. It matters not what number of units of money per capita exists in any country, provided that the ratio of population to such units is constantly maintained. When that ratio is changed by a diminution of the quantity of money we call it contraction; and when the ratio is disturbed by abundance of money it is called inflation.

BI-METALLIC MONEY PREVENTS VIOLENT FLUCTUATIONS IN THE VALUE OF MONEY.

Our objection to the demonetization of silver is that it involves violent and continuous contraction. The use of the two metals (as we have already seen) does not furnish a perfect monetary system. It does not altogether avoid the evils of expansion and contraction, but does have a tendency to prevent violent fluctuations in the value of money. Over-production of one metal is generally offset by a failure of production of the other. Although the two metals do not serve the highest ideal purpose of money by furnishing the exact amount necessary to maintain at all times the same relation numerically to population—and thereby afford an invariable rule with which to measure values and adjust contracts—yet they approximate more nearly to such ideal standard than either metal alone could possibly do. It is, therefore, not only dishonest but inexpedient to dispense with the use of either metal until a more certain standard than metallic money by which to measure values and adjust contracts can be devised.

SHAM PRETENSES OF BONDHOLDERS.

The various excuses put forth by the bondholders for the demonetization of silver are insulting to the understanding of mankind. They say they prefer gold because it is more convenient than silver. They might as well tell us that they prefer platinum because it is more convenient than gold. It is not a question of convenience—it is a question of common honesty. The object of demonetizing silver cannot be concealed by such sham pretenses—it is to enhance the value of securities.

HISTORY OF THE BONDHOLDERS' WAR FOR CONTRACTION.

The effort to contract the coin of the world for the benefit of the bondholders commenced more than thirty years ago.

Exaggerated reports from the gold fields of California and Australia brought forth appeals from Chevalier and other representatives of European bondholders for the demonetization of gold, with the avowed purpose of increasing the value of bonds. Germany and Austria, in 1857, actually demonetized gold in the interest of the bondholders. France favored the demonetization of one of the precious metals, but seemed to think it was best to demonetize silver and contract the world's money to a gold standard. After years of discussion the French Monetary Commission of 1869 came to the following conclusion:

"As Governments control the weight and standard of money, they ought, so far as possible, to assure its value. And as it is admitted that the tendency of the metals is to depreciate, this tendency should be arrested by demonetizing one of them."

The only reason assigned by Chevalier, the Monetary Commission of France, and other representatives of the bondholders, for the demonetization of one of the metals was the appreciation of the value of bonds. They did not pretend that the people at large would be benefited by the demonetization of either metal, but boldly declared that it would increase the value of bonds, and that such was their purpose.

WAR FOR CONTRACTION CONCENTRATED ON THE DEMONETIZATION OF SILVER.

The discussions in monetary commissions and financial circles as to the propriety of demonetizing one of the precious metals in the interest of the bondholders continued from time to time until 1871. About that time exaggerated rumors in regard to the fabulous amount of silver which would be produced from the Comstock obtained circulation. Germany, not having succeeded in obtaining an international agreement to demonetize gold, seized upon these rumors as a pretext and demonetized silver. The United States, by the

Acts of 1873 and 1874 (hereafter noticed), did the same. Sweden and Norway in 1874, followed the bad example of Germany and the United States. France, Belgium, Switzerland and Italy in the same year so limited the coinage of silver as to practically demonetize it. In 1875 Holland closed her mints against the coinage of silver on private account. In the same year Switzerland refused to coin silver. In 1876, the President of the French Republic, under a law authorizing him to do so, suspended the coinage of silver. In the same year, Spain closed her mints against depositors of silver. Since that time no European nation has shown the least disposition to remonetize silver. On the contrary the tendency has been in the other direction.

THE ABSURDITY OF ASKING EUROPEAN BONDHOLDERS TO REGULATE AMERICAN FINANCES.

In 1881 a monetary convention was held in Paris, to which the United States sent Commissioners, for the purpose of inducing the European Governments to agree upon some basis whereby silver could be used as money. The folly of sending Commissioners to such a convention will be appreciated when the fact is stated that the majority of that convention was necessarily composed of the bondholding class. The indifference, bordering on contempt, with which the proposal of the United States to remonetize silver was received, should have been anticipated. It ought not to have been expected that the bondholders, who controlled the Paris Convention, would remonetize silver, and thereby depreciate the value of their securities.

IS MANTON MARBLE TO IMPORT FROM EUROPE INSTRUCTIONS TO CONGRESS?

The present administration has renewed the practice pursued by our Government since the war on silver commenced of colluding with the enemy. In May last the Hon. Thomas F. Bayard, Secretary of State, by order of the President,

sent Mr. Manton Marble—a mono-metallist—to Europe for the ostensible purpose of obtaining the "adoption of a common ratio between gold and silver for the purpose of establishing internationally the bi-metallic money and securing a fixity of value between those metals." Mr. Bayard at the same time wrote to the American Ministers in England, France and Germany, requesting them to assist Mr. Marble in the accomplishment of his mission. He expressed great solicitude for an early report from Mr. Marble, and added:

"I trust, therefore, that no later than the 1st of November next, with the assistance of Mr. Marble's labors, you will enable the President to lay before Congress such information, coupled with proper suggestions, which may make practicable such legislation as will meet the grave emergency."

The ignorance of Mr. Bayard of the history of the demonetization of silver in Europe and the attitude of the bondholding directory is surprising. How he could have expected that Mr. Manton Marble—a mono-metallist—would be able to induce the European bondholders to adopt a ratio between gold and silver, for the purpose of establishing internationally bi-metallic money, is incomprehensible. It is possible, however, that Mr. Bayard's real object for sending Mr. Marble to Europe was to enlighten the American people, by spreading before them, in an official form, the reasons of the bondholding directory for the violation of the obligation of contracts in the demonetization of silver. He says that he wants Mr. Marble's report to "enable the President to lay before Congress such information, coupled with proper suggestions, which may make practicable such legislation as will meet the grave emergency." In other words, he desires Mr. Marble to collect and import from Europe information and suggestions from the bondholding directory to guide Congress in its deliberations. A moment's reflection would have satisfied Mr. Bayard that the bondholding directory is sufficiently interested in the actions

of Congress upon the silver question to furnish all the information in its power, without the expense of sending Mr. Marble to Europe.

It is gravely suspected by many that the European bondholding directory had something to do with the clandestine legislation whereby the legal tender character of the silver dollar was destroyed in the revision of the laws. Every American citizen of ordinary intelligence knows that it would be less difficult to induce Shylock to surrender his pound of flesh than it would be to obtain from Europe a recommendation for the restoration of silver to the place it occupied when the bonded debts of the world were contracted. It is to be hoped that the sordid views of the bondholders have not reached the President, and that his forthcoming message will contain no argument imported from Europe. The power of $75,000,000,000 has already subsidized the genius of Europe and the metropolitan press of America to invent reasons why the debtor ought to pay two dollars when he has contracted to pay but one.

HOW THE PRICE OF SILVER WAS AFFECTED BY HOSTILE LEGISLATION.

After silver was demonetized and the fact became known by the refusal of the mints to receive it in exchange for coin, its value declined, as compared with gold, until the year 1878, when its partial remonetization by Congress checked its further decline and produced an upward tendency, which continued until the recent adverse action of the present administration. It is now more than twenty-one per cent. below par in gold. In 1873 (when silver was demonetized), the amount of silver necessary to make a silver dollar was worth over three cents more than the amount of gold necessary to make a gold dollar. The present discount added to the former premium shows a decline in the value of silver since 1873, as compared with gold, of about 25 per cent. Labor and property since that time have depreciated

as compared with gold, more rapidly than silver. If silver is finally demonetized and gold alone used as money, there must be a continual decline in the price of labor and property. When the world shall have reached the gold standard, the decline in prices will have but just begun, for the production of gold as compared with the demand, is continually decreasing. The wear, loss, use in the arts, and the increasing demands of commerce, cannot be supplied from the mines now known to exist. The probabilities of new discoveries are diminishing year by year as the surface of the earth is more minutely examined.

OPPRESSION OF THE PEOPLE.

What will be the condition of the laborer when the money of the world shall be confined to gold alone, and when a few thousand men shall have the power to require of each generation more than $100,000,000,000 on interest account alone? The contemplation of this vast sum to be paid by the producer, in connection with the fact that gold is constantly decreasing as compared with population, suggests to every right-minded man the necessity of immediate resistance to the bondholder's demands. He must be confined to the terms of his contract. He agreed to take either silver or gold. He must not be permitted to extort gold and defraud the debtor of his right to pay in silver.

In this great contest the United States must be the battle-field. In no other country is free discussion allowed. No other people have the power to resist. There is too much poverty and ignorance in Europe. Poverty and ignorance always submit to oppression until the point of desperation is reached. Then comes revolution. Revolution destroyed the feudal system; it may finally overthrow the bondholding directory. The time may come when the armies of Europe may take sides with the starving population, and hurl their oppressors from power, as did the people of France when they tore down the Bastile, and destroyed feudal tyranny.

ARMIES AND NAVIES COLLECT INTEREST.

To fully appreciate the magnitude, power and motives of the bondholding directory, we must take into consideration the alarming fact that to-day Europe is a military camp; that each of the great Powers have from 150,000 to 1,000,000 men under arms, and supports, in addition thereto, a vast navy. These military establishments serve several purposes: 1. They increase the national debts, and thereby furnish bonds for further investment. 2. They increase taxation, and thereby make the poor poorer and the rich richer; and, 3. They furnish a most effective instrument for the enforcement of taxation. Take, for example, Egypt—a poor, half civilized country, allured into contracting an enormous debt, which was sold to speculators for from forty to fifty cents on the dollar. These speculators well knew that it was impossible for the people of Egypt to pay such a debt without being reduced to the most abject slavery. Egypt defaulted in the payment of interest. The ironclads of the most civilized nation on earth razed Alexandria to the ground and placed tax-gatherers over the people to exact the uttermost farthing. To-day no laborer in Egypt is allowed to eat a morsel of bread made from the wheat his labor has produced. The same oppression in kind, although perhaps not so excessive in degree, exists throughout Europe.

THE MORTGAGE SYSTEM.

The system now inaugurated, and which has supplanted the feudal system, may be termed the "Mortgage System." It has many advantages. The feudal lord was responsible for the protection, and, to some extent, the maintenance of his serfs. The bondholder is free from all responsibility. Hundreds of ironclads and millions of armed men protect him and collect the interest on his bonds. With these advantages the bondholder ought to be satisfied; but he is not. He is now scheming to make the bonded debt payable in gold coin only. If successful, he will increase more than

100 per cent. the hours of toil required for the payment of the $100,000,000,000 in interest, for which the labor of each generation is already mortgaged. We repeat that this fraud can only be defeated in the United States. The time for discussion in Europe has passed. Nothing but a revolution can affect the solid foundation of the bonded system across the Atlantic. The armies and navies of the great Powers are already sufficient to suppress the nihilist, communist, socialist, and even the great body of the people, if the divine right of the bondholder is questioned.

LEGISLATION OF CONGRESS IN REGARD TO GOLD AND SILVER COIN.

The dollar devised by Hamilton and authorized to be coined by the Act of April 2, 1792, consisted of 416 grains of standard silver; fineness, 892 4-10; equivalent to 371¼ grains of pure silver, with 44¾ grains alloy of pure copper. The weight of the dollar was changed by the Act of January 18, 1837, to 412½ grains of standard silver; fineness changed to 900, preserving the same amount of pure silver—to wit: 371¼ grains, with one-tenth alloy. By both the Acts of 1792 and 1837, the subsidiary coins—to wit: the half-dollar, quarter-dollar, dime and half-dime, had the same proportion of standard silver as the silver dollar. In 1853 the amount of silver in the subsidiary coins was reduced by Act of Congress, and those coins were declared to be legal tender for only $5. The dollar was not affected by that Act, but remained the unit of value and a full legal tender until the passage of the Acts of 1873 and 1874, hereafter noticed.

BONDED INDEBTEDNESS OF THE UNITED STATES.

The bonds issued for the suppression of the rebellion were payable in lawful money or greenbacks—the same kind of money with which the soldier was paid—interest only being payable in coin. These bonds were sold for from forty to fifty cents on the dollar in coin. After peace was declared the bondholder contended that one of the inducements for his

investment was his patriotism, and that therefore he was entitled to special consideration. Besides, he claimed that it was generally understood that the bonds of the United States would ultimately be paid in coin. On March 18, 1869 (after the first election of President Grant), "An Act to strengthen the public credit" was passed, which declared that the bonds of the United States were payable in coin. This Act greatly enhanced the value of United States bonds, and was exceedingly liberal to the bondholders—and perhaps unjust to the people; but it was fairly considered, and no one is charged with fraudulent practices in securing its passage. Besides, the question was submitted to the people at General Grant's first election in November, 1868, and decided in favor of paying the bonds in coin. Thereafter, on the 14th day of July, 1870, an Act was passed "to authorize the refunding of the national debt," in which the pledge of the United States to pay the debt in coin was renewed. It was provided in that Act that the bonds issued under its provisions should be redeemable in coin of the standard value of July 14, 1870—that is to say, in gold dollars consisting of 25 8-10 grains of standard gold, or in silver dollars of 412½ grains of standard silver. If the bondholder had been honest he would have been fully satisfied with the generosity of the Government in making its obligations—which were originally payable in greenbacks—payable in coin. He was not honest, and therefore he was not satisfied. As soon as he had secured the change of his contract from an agreement to pay greenbacks to an agreement to pay coin, he commenced to connive with European bondholders to convert his contract for coin into a contract for gold alone. Through inattention or some secret agency, the Acts of 1873 and 1874—demonetizing silver—were passed without debate and without the attention of either House being called to the subject. The Government was thereby deprived of its option to pay its bonded obligation in either gold or silver.

THE STANDARD DOLLAR OMITTED FROM THE LIST OF COINS.

The first assault upon the dollar of Hamilton was contained in a long Act (consisting of sixty-seven sections) "revising and amending the laws relative to the mints, assay-offices and coinage of the United States." The Act was approved February 12, 1873. The section enumerating the silver coins in this Act (Section 15) makes no mention of the silver dollar, but provides for what is called a "trade dollar," to contain 420 grains of standard silver. The object of the bill, as expressed in the title, was to "revise and amend the laws relative to the mints, assay-offices and coinage of the United States." It was not supposed that in such a law there would be any radical change in the laws of the United States with regard to the use of silver as money. The attention of Congress was not called to the fact that the silver dollar was omitted, and this fact was probably unknown to all except those having immediate charge of the bill, and if known, it is not at all probable that the effect of the law would have been understood. Besides, neither gold nor silver was in general circulation as money in the United States at that time, and the necessity of coining either was probably not regarded as very pressing.

The object of the trade dollar, provided for in that Act, was stated to be for circulation in China. It was said that the standard dollar of 412½ grains was less in weight than the Mexican dollar, which circulated in China, and that our trade with China would be greatly benefited by coining a dollar worth as much or a little more than the Mexican dollar. It was not pretended that the trade dollar was to be circulated in the United States.

The standard dollar was not, however, demonetized by this Act. It was simply omitted from the list of coins, and this fact was not observed or commented upon in either House.

DEMONETIZATION OF THE STANDARD DOLLAR.

The bondholding directory was not satisfied with the simple omission of the standard dollar from the list of coins, for so long as it remained a legal tender to any amount, it could again be added to the list without any change of the unit of value in the coins of the United States. Its manipulators, therefore, deemed it necessary to demonetize the standard dollar and destroy its legal tender character. This was surreptitiously accomplished. At the time of the passage of the Act of February 12, 1873, the statutes of the United States were being revised by a commission acting under a law which did not authorize new legislation, but simply contemplated a codification and rearrangement of existing laws. Notwithstanding this fact, a provision was inserted by some unknown agency, destroying the legal tender character of the standard dollar. It is in the following language:

"The silver coins of the United States shall be a legal tender at their nominal value for any amount not exceeding $5 in any one payment." (Revised Statutes United States, Sec. 3586.)

The Revised Statutes of the United States is a very large volume—a volume so large that it was impracticable to read it in either House of Congress. In 1874 this volume was adopted by Congress and the reading dispensed with on the assurance of the Commissioners charged with the duty of codifying the laws that they had inserted no new legislation. The fact that Section 3586—demonetizing silver—was in the Revised Statutes, was not publicly known until a long time after the adoption of the revision.

THE PARTIAL REMONETIZATION OF SILVER.

On the 28th of February, 1878, an Act was passed "to authorize the coinage of the standard silver dollar, and to restore its legal tender character." This Act made the sil-

ver dollar a legal tender for any amount, and it provided that the Secretary of the Treasury should purchase at the market price not less than $2,000,000 nor more than $4,000,000 of silver bullion per month for coinage. This was a partial remonetization of silver. The Act, however, did not authorize the owner of silver bullion to exchange it at the mints for coin on any terms, nor to deliver it at the Treasury of the United States and receive silver certificates therefor. But notwithstanding the refusal (or neglect) of the Treasury Department to execute this law in good faith (as we shall hereafter see), the further decline of silver was checked by the Act of 1878, and an upward tendency was produced thereby, which continued until the war to demonetize silver was renewed under the present administration. Great credit is due to the zeal and patriotism of the members of Congress who passed this Act and checked the evil work of the bondholding directory. The names of Jones, of Nevada; Bland, of Missouri; Reagan, of Texas; Warner, of Ohio, and their co-workers, will not be forgotten. It is the only considerable victory which has been won by the people against the despotic power of money since the bondholder has assumed dictatorial power in the financial world. The report of Senator Jones, and his great argument in the Senate on the passage of this Act, was the first impartial and philosophical exposition of the money question after the conspiracy to demonetize one of the precious metals was formed. His argument against the demonetization of silver remains unanswered. The bondholder now demands the repeal of the Act of 1878. But he cannot succeed if the present House of Representatives is composed of as brave and patriotic material as the last. The example of the members of the last House who resisted the President's demand for the passage of a law demonetizing silver, furnishes one of the brightest pages of our history. It is difficult for a member of Congress to refuse any request from the President of the United States with 100,-

000 offices at his disposal; but to refuse the request of the President, when that request is reinforced by the power of $75,000,000,000, is evidence of the purest patriotism.

RESUMPTION OF SPECIE PAYMENT.

It has been suggested by the attorneys of the bondholding directory that the Act of January 14, 1875, entitled "An Act to provide for the resumption of specie payments," obligated the Government to pay the bonded indebtedness in gold. This claim is as destitute of truth as it is bold and arrogant. The following extract from that Act will show the fallacy of the claim:

"And on and after the first day of January, anno Domini eighteen hundred and seventy-nine, the Secretary of the Treasury shall redeem, in coin, the United States legal tender notes then outstanding, on their presentation for redemption at the office of the Assistant Treasurer of the United States in the City of New York, in sums of not less than fifty dollars. And to enable the Secretary of the Treasury to prepare and provide for the redemption in this Act, authorized or required, he is authorized to use any surplus revenues, from time to time, in the Treasury not otherwise appropriated, and to issue, sell and dispose of, at not less than par, in coin, either of the descriptions of bonds of the United States described in the Act of Congress approved July fourteenth, eighteen hundred and seventy, entitled 'An Act to authorize the refunding of the national debt,' with like qualities, privileges, and exemptions, to the extent necessary to carry this Act into full effect, and to use the proceeds thereof for the purposes aforesaid."

This Act provided for the redemption of legal tender notes (greenbacks)—not bonds. The redemption was to be made in coin—not gold coin. It makes no difference whether or not silver was then demonetized so far as regards the kind of money in which the United States bonds are to be paid. It is expressly provided in the part of the Act above quoted that the bonds which are therein authorized to be sold to obtain coin with which to resume specie payments were to

be issued under the provisions of the Act of July 14, 1870. We have already seen that all bonds issued under the provisions of that Act may be redeemed in silver dollars consisting of $412\frac{1}{2}$ grains of standard silver, if the Government elects to pay them in that kind of coin. After the passage of the Refunding Act of July 14, 1870, it was the duty of the Government to provide gold and silver dollars of the standard value of that date with which to redeem the bonds issued under that Act. If gold and silver had both been demonetized and paper substituted therefor, does any one pretend that it would not have been right and proper for the United States to coin gold and silver dollars to be used in payment of the bonds according to the terms of the law under which they were issued? Why is it not both the right and duty of the Government to continue the coinage of silver dollars for the purpose of complying with its obligation to pay the bondholder in silver? If silver were the dearer metal the bondholders would demand its coinage. It being the cheaper metal, why may not the people demand that it be coined and used in the discharge of all Government obligations which are payable in silver? We maintain that when the bondholder is paid in silver for a debt originally contracted in greenbacks, he will receive more than he contracted for; but whether the bondholder was benefited or not by exchanging a contract payable in greenbacks to a contract payable in coin, is immaterial for the purposes of this argument. The question now is: Shall the rights of the bondholders and of the people be adjusted according to the existing contract, or shall the contract be again changed for the purpose of enhancing the value of bonds? We advise the bondholder to pause and reflect before he again departs from the letter of his contract, and attempts to obtain more than is named in the bond. If he does not stop tampering with contracts between himself and the people, the question may arise: What moral right has one generation to mortgage the services of the next?

African slavery was guarded and protected by as perfect a framework of constitutions and laws as human ingenuity could invent. It was abolished by the sword, without compensation to the owners of slaves. The $75,000,000,000 of bonded indebtedness rests upon contracts no more zealously guarded by law than the title of the American planter to the African slave. It will not do to so increase the difficulties of paying the bonded debt as to involve the enslavement of the producer, for in that event there may be a demand for an equitable adjustment of contracts that will disturb the peace of society. Is the bondholder prepared to adjust equities with the laborer? Dare he say to the poorest laborer in Christendom: "You and I were born equal, and neither of us ought to enjoy of this world's goods more than the labor of his hands has produced, and we will adjust our equities on that basis?" The whole superstructure of the bondholder's power rests upon the strict adherence to the letter of the contract. We, therefore, warn him to abide by the terms of his contract, for if equities are invoked, the luxuries which he now enjoys may be exchanged for poverty and toil. We especially warn him to proceed no further in his attempt to convert existing contracts payable in either gold or silver into contracts payable in gold alone, or the laboring classes may demand an adjustment cf equities, which he will have no power to deny.

NATIONAL BANKS.

The national bankers, at a convention held at Chicago on September 23d last, passed the following resolution:

"*Resolved,* That it is the sense of the convention that the coinage of the silver dollars, under the compulsory law of 1878, is detrimental to the best interests of the people and dangerous to the welfare of the Government, and that the law should be immediately suspended, and remain inoperative until an international agreement of the leading commercial nations shall give substantial assurance as to the future relation of gold and silver as money."

In other words, the national bank managers resolved that silver should be demonetized until the European bondholding directory should otherwise dictate. The cool assurance which these bankers assume in pretending to advocate the best interests of the people and the Government leads to the inquiry as to who they are and what they represent. If, on investigation, it shall appear that they are subsidized monopolists and allies of European bondholders, their advice may not be regarded as valuable unless supported by argument.

This favored class came into existence in the following manner: Greenbacks drawing no interest were in circulation as money. The Government was induced to issue interest-bearing bonds, and purchase and retire therewith a large amount of the greenbacks then in circulation—say $400,000,000. This created an excuse for issuing other paper to supply the deficiency created by the retirement of the greenbacks. The national banks were allowed to deposit in the Treasury the bonds of the United States issued to retire the greenbacks and draw interest thereon; and in addition thereto the Government furnished the national banks, free of charge, the use of paper money issued by the Government and called "National Currency," to the extent of ninety cents on the dollar of the amount of bonds deposited. The Government thereby succeeded in substituting one kind of paper money, called "National Bank Notes," for another kind of paper money, commonly called "Greenbacks"—both resting for validity upon the credit of the United States. This change has cost the Government from $12,000,000 to $15,000,000 in interest annually for the last twenty years. In order to justify the change and show that national bank notes are better than greenbacks, the advocates of the national banks would have us believe that money issued and guaranteed by the United States is not money until it is reissued by some person calling himself a "National Banker," and that the credit of the United States is so bad that it can only issue money through a stranger, who might be termed either

John Doe or Richard Roe. Although the holders of greenbacks have had the privilege for more than ten years of exchanging them for coin, there are now in circulation, on a par with gold, about $360,000,000 of that kind of currency. It has always been difficult for the national banks to explain why the United States retired greenbacks drawing no interest, and substituted therefor national bank notes at so great a sacrifice. Many people now believe that there is no satisfactory reason why greenbacks should not be reissued and exchanged for bonds, and the $324,000,000 of national currency retired. Would it not be well for the national bank manipulators to furnish a good reason for their own existence before they attempt to destroy silver? Can any satisfactory reason be given why silver should not be remonetized and again received at the mints, and certificates guaranteed by the Government issued therefor? Why should not such certificates, guaranteed by the Government and secured by the deposit of silver bullion be as good money as national bank notes with no security or guarantee other than the credit of the United States? Have the national banks any other objection to the use of silver than the fact that its remonetization and the issuance of silver certificates based on the deposit of bullion would supersede the necessity of national bank notes? The resolutions of these national bank managers must be read in the light of the fact that it is worth more than $12,000,000 a year to them to prevent the retirement of the national bank notes by substituting therefor either silver coin or silver certificates. It must also be remembered that the correspondents of these national banks in Europe are controlled by the bondholding directory, and that the financial credit of these American banks depends upon the fidelity with which they serve the great financial operators who control and direct the policy of the bondholders. There are about twenty-seven hundred national banks, which are always ready on "call" to furnish the managers of the lobby such a per-

centage of the $12,000,000 subsidy which they receive from the United States annually, as may be required to perpetuate their power. The combination of these national banks and European bondholders is indeed formidable, and threatens the liberties of the people of the United States. But there is no doubt that the people will finally triumph against national banks and bondholding syndicates as they did in the time of Jackson, when a less objectionable institution called the United States Bank was throttled and destroyed.

We do not object to bankers any more than we do to shoemakers, merchants, or mechanics of any kind. It is the subsidy to which we object. In proof that a subsidy is no more necessary in the banking business than in any other, we call attention to the fact that the principal commercial banks of the Pacific Coast do business on their own money, without subsidies, and their financial standing is as good as any banks in the United States.

CONGRESS TO REGULATE THE VALUE OF MONEY.

The Constitution of the United States provides that "Congress shall have power * * * to coin money and regulate the value thereof." Under this provision the United States continues to some extent to coin money, but does not regulate its value. It is true that the units of value of the coins of the United States are called dollars, and that a gold dollar contains 25 8-10 grains of standard gold, and a silver dollar 412½ grains of standard silver. But this does not determine the value of the coin. The value of each dollar (as we have already seen) is determined by the number of dollars in use in the United States, and not by the quality or quantity of the material of which the dollar is made. The amount of material to make a silver dollar is worth twenty-one per cent. less than the amount of material necessary to make a gold dollar, and the material necessary to make a paper dollar—whether that paper dollar be greenback or national currency—is comparatively

nothing; and yet each of these dollars has the same purchasing power. If the present circulating medium—consisting of national currency, greenbacks, silver and gold dollars—were doubled by the issue of gold or silver, greenbacks or national currency, the value of each dollar now in circulation would be reduced about one-half. This would be unfair to the creditor class, but it would be no more unfair than the demonetization of silver would be to the debtor class. It is the duty of Congress to regulate the value of money so that neither the debtor nor the creditor can be robbed by violent contraction or expansion.

NEW YORK CITY.

It is not surprising that New York City should be opposed to silver. Its business relations with the bondholding syndicate of Europe are exceedingly intimate. It deals in securities, imports foreign goods and apes foreign manners. Many of its business houses are either branches of European establishments or are so connected with the business of Europe as to be under the immediate influence of the bondholding directory. The people of the United States cannot submit to dictation from either New York or Europe. They must have an independent financial policy of their own. Civil liberty cannot survive financial slavery. It may take time for the people to comprehend the designs of Europe on the liberty of this country, but sooner or later the money question will be understood. The metropolitan press may, for a time, mislead good men, but if the fraudulent practices of European bondholders are continued much longer in this country, the day of retribution will shake the foundations of society. Let it now be averted by an honest observance of the obligation of contracts.

WHY SILVER DOES NOT CIRCULATE.

The reason why silver does not circulate freely is because the Treasury officials refuse to obey the law and put it in

circulation. Although the bonded indebtedness of the United States—both principal and interest—is payable in silver, not a dollar of that metal has been paid in liquidation of the public debt. On the contrary, in July last, the Treasury Department, according to its long-established policy, borrowed of the national banks of New York, through the clearing house of that city, $6,000,000 in gold, and issued fractional currency therefor. The excuse given for this remarkable transaction was to strengthen the Federal Government's gold reserve, and to furnish it with gold to pay interest on the national debt. It is a remarkable fact that while the Secretary of the Treasury—himself recently a national banker—was supplicating his fellow national bankers to save the Government of the United States from bankruptcy by the loan of $6,000,000, the Treasury was overflowing with silver applicable to the payment of the principal and interest of the public debt. If the Secretary of the Treasury could have been induced to regard the Acts of Congress with some respect, he would not have felt himself compelled, at the dictation of any bondholding syndicate to allow silver to lie idle in the vaults of the Treasury, and to complain of want of storage room for that money, while there was a demand for it for the payment of interest on United States bonds. It is to be regretted that so many members of Congress and Treasury officials have been connected with national banks. If a Secretary of the Treasury, free from relations or complications with national banks or bondholding syndicates, could be appointed, there might be some hope that the laws of Congress would be enforced. It can hardly be expected, however, that any person interested in a national bank or connected with those syndicates will be able to impartially administer the laws of Congress regulating the currency of the United States.

CREDIT OF THE UNITED STATES.

We hear much from Treasury officials about preserving the sacred credit of the United States. This is all sham.

The credit of the United States is already too good. Bonds upon which the Government realized only forty per cent. and has paid more than an hundred cents on the dollar in interest, are to-day selling for 120 cents—an advance of 200 per cent. This results in part from the restoration of peace and the growth and prosperity of the country, but principally from the various changes in the contract between the Government and its creditors, produced by legislation and the refusal of the Treasury officials to obey the law. Bonds payable in greenbacks (as we have already seen) were made payable by Act of Congress in coin. Bonds payable in either gold or silver are paid by Treasury officials in gold alone, thereby creating an extraordinary demand for gold and enhancing its price, and depreciating silver. Nothing but a gross violation of law and a partiality for bondholders could induce the Secretary of the Treasury to refuse to pay bonds in silver when the law so provides, and when the people would be benefited thereby. How dare any Secretary of the Treasury give to the bondholder twenty to twenty-five per cent. more than the law requires? Why should not the credit of the United States be good when the Government is made to pay three times as much as it agreed to pay? Our national debt at the close of the war was, in round numbers, $2,800,000,000—$1,000,000,000 of which has been paid. The remaining $1,800,000,000 is more than double the amount of the $2,800,000,000 as it existed at the close of the war, if measured by days of labor, bushels of wheat or bales of cotton. If the Treasury officials are not required to obey the law, but may pay the bondholder as much as they please and in any kind of money they choose, the United States, with its boasted resources, may never be able to liquidate the national debt. Since 1865 to the present time, for every dollar paid on the principal of the national debt two dollars have been added by manipulation. Is it not time that the people were informed of the practices by which financial robbery is conducted wholesale at their expense?

WHAT LEGISLATION IS WANTED.

If Congress would authorize the Treasury Department to receive all silver bullion offered at the rate of 412½ grains of standard silver for a dollar, in exchange for coin or silver certificates at the option of the Government, and retain the bullion so received as security for the certificates issued therefor, and make such certificates a full legal tender for all purposes and to any amount, silver would be remonetized, and the currency of the United States would be placed on a solid metallic basis. If, however, this cannot be done, let the present law be executed. By the Act of 1878 the Secretary of the Treasury is authorized to invest $4,000,000 a month in the purchase of silver bullion. Let him purchase the full amount each month, coin it, and pay it out for public dues. If the people do not like silver dollars they need not use them. Silver coin can now be converted into silver certificates at the option of the owner. Persons having silver coin may deposit it in the Treasury and receive certificates therefor, which are "receivable for customs, taxes and all public dues." No one receiving silver coin from the Government need move it from the vaults of the Treasury. He can change it before it is removed or at any time thereafter for paper, which is on a par with gold. While it would be better to coin no more silver than the necessities of commerce require, and issue certificates on bullion as well as coin, still, in the absence of the necessary legislation for that purpose, the Government must bear the expense of coinage until a law can be passed for the issuance of certificates on uncoined bullion. A Secretary of the Treasury who would act in the interests of the people, and who was under no obligations to bondholders, could, in a very short time, under the existing law, put silver on a par with gold. The investment of $4,000,000 a month in silver bullion would soon exhaust the surplus in the market, and create such a demand for silver as to advance it to par with gold. The present produc-

tion of silver is not in excess of the demand from India and China. The additional demand which would be created by the investment of $4,000,000 a month, instead of $2,000,000, in the purchase of silver bullion, with the avowed purpose on the part of the United States to remonetize it, would settle the question in favor of silver as money. If the bondholders were paid in silver, they would become interested in appreciating it. It would then become their money, and they would not hire newspapers to give it a bad name. Besides, the prompt payment of Government dues in silver to the extent of the full amount that could be coined from $4,000,000 a month worth of bullion would put in circulation about $50,000,000 a year of silver coin or certificates. Fifty million dollars a year of coin or silver certificates would take the place of the hot-house plants called national bank notes, as fast as the bonds upon which they are issued can be paid and retired. This would avoid any more special or class legislation to put out or keep out the national bank notes.

NO COMPROMISE.

The advocates of bi-metallic money must consent to no compromise. Silver must be either fully remonetized or the present law enforced. The people are not sufficiently versed in intrigue to cope with the bondholding directory in the construction of doubtful laws. Every doubtful expression in any law will be construed in favor of the bondholders. The proposition known as the Warner Bill has much to commend it, but the difficulty is that many of its provisions are subject to construction, and that the Treasury Department must execute it. The influence of the bondholding directory in that Department must not be overlooked. If, according to the general plan of the Warner Bill, the Government would receive in good faith all silver bullion offered at the market price, on the day of the offer, in exchange for coin or certificates, which should be a full legal tender for every purpose, and to any amount, and re-

tain on deposit the bullion so received as security for such certificates, and the Treasury officials would execute such a law, silver would be fully remonetized, and would be very soon placed on a par with gold at the ratio now established. The difference between the receipt of bullion by the United States at the rate of 412½ grains of standard silver for a dollar and its receipt at its market value in gold, so far as ultimate results are concerned (if such a law could be executed), is more imaginary than real. The receipt by the United States of all silver bullion offered on either plan would make an unlimited market for silver, which would place it on a par with gold according to the ratio of 15 98-100 to 1 before the United States could possibly obtain the amount necessary to meet the increasing demand for a circulating medium. If, however, silver should be received at its market value in gold, it would be necessary to limit the price and provide that no higher price should be paid for silver in exchange for coin or certificates than the ratio of 15 98-100 to 1, or silver would rise above that ratio.

THE SUBSTITUTION OF CARTWHEELS FOR DOLLARS.

The most dishonest and insidious proposition that has been suggested is to increase the amount of silver requisite to make a silver dollar. It is suggested by some that the silver dollar should be composed of 480 grains instead of 412½ grains. It is also suggested that no more dollars shall be coined, but that half dollars, consisting of 240 grains each, should be coined after this change shall have been made. It is argued that half dollars of that size will not be as cumbersome as the present dollar of 412½ grains. The frigid impudence of either of these propositions would be surprising if we were not accustomed to the demands of the bondholding directory to change the basis of their contracts with the people at pleasure. The bondholders, as we have already seen, have, by their agents in Europe, and in the Treasury Department of the United

States, depressed the value of silver about twenty-five per cent. as compared with gold, and they now propose to make it equal to gold by adding more silver. When this is done, they will again depreciate the value of silver by their manipulations, and add more silver, until a silver dollar will be as large as a cartwheel, silver mining stopped, and silver demonetized by this cuttle-fish process.

If the remonetization of silver, or the enforcement of existing laws, should result in the retirement of the national banks and the relief of the Treasury of its idle surplus revenue in the redemption of the bonds upon which the national bank notes were issued, no honest man ought to complain. The readjustment on the original basis of the contract between the bondholder and the people is certainly desirable. The extortion contemplated by the demonetization of silver must be prevented by restoring that metal to its original place. Nothing short of that will satisfy the people.

Let it not be supposed that any person not holding a bond, the payment of which is absolutely secure, can be benefited by contraction. Even the money-lender suffers with the balance of the community. The rate of interest declines, and money flows to financial centers and remains idle for want of confidence and good security, and also because prudent men will not borrow—that is, sell money "short"—while it is increasing in value.

In conclusion we ask: Why should enterprise be crushed, the laborer thrown out of employment, and gloom and misery be spread over the land to satisfy the selfish greed of the bondholder? Let the arrogant bondholder take warning from history. Revolution and repudiation are written on all its pages. Oppression in the end destroys the oppressor as well as the oppressed. The only absolute security of the bondholder is general prosperity. No prosperity can exist with a decreasing circulating medium. Contraction means all of the misfortunes that can happen to civilized

society concentrated in a single word. Stagnation, bankruptcy, idleness, starvation, crime and misery are the legitimate offspring of a decreasing circulating medium; while, on the other hand, prosperity, employment, abundance, obedience to law and happiness follow a sufficient circulating medium as naturally and as regularly as good crops follow generous rains and favorable weather.

WM. M. STEWART.

Carson City, Nev., November 27, 1885.

SUPPLEMENT

COMMENTS ON PRESIDENT'S MESSAGE ON THE SILVER QUESTION.

Since the foregoing pages were printed, the President's message has been received. That remarkable document contains all the arguments that Manton Marble was able to import from Europe, and all the sophistry that the managers of the national banks could invent in America. It boldly recommends the repeal of the Act of 1878, and the utter demonetization of silver.

DOES AN INCREASE OF COINAGE PRODUCE CONTRACTION?

The President admits the disastrous effects of a decreasing circulating medium, but boldly utters the manifest paradox that the coining of money produces contraction. In other words, the more coin the more contraction. The President says:

"Those who do not fear any disastrous consequences arising from the continued compulsory coinage of silver as now directed by law, and who suppose that the addition to the currency of the country intended as its result will be a public benefit, are reminded that history demonstrates that the point is easily reached in the attempt to float at the same time two sorts of money of different grades of excellency, when the better will cease to be in circulation. The hoarding of gold, which has already taken place, indicates that we shall not escape the usual experience in such cases. So, if this silver coinage be continued, we may reasonably expect that gold and its equivalent will abandon the field of circulation to silver alone. This, of course, must produce a severe contraction of our circulating medium, instead of adding to it."

If the President would inform us where to find the history which demonstrates that an increased coinage of silver ever produced contraction, we might be able to verify the truth of his statement.

SILVER HAS NOT DRIVEN GOLD FROM THE COUNTRY.

If the presence of inferior grades of money produce contraction, the retirement of such inferior grades ought to produce inflation. If this be so, why not retire greenbacks, national bank notes and standard silver dollars, and have an abundance of money at once? There must be some defect in the President's historical demonstration as applied to the present age, for our experience is contrary to the President's history. Greenbacks, national bank notes and silver coin have been in circulation for several years. Have they contracted the currency? They certainly have not thus far driven gold out of the country. On the contrary, the amount of gold in circulation has constantly increased since the passage of the Act of 1878 providing for the coinage of the silver dollar.

In 1878 the gold and silver coins of the United States amounted to about $380,000,000. On July 1, 1885, according to the report of the Director of the Mint, the gold and silver coins in the United States (including bullion in the mints and assay-offices for coinage) amounted to $891,501,-682—making an increase of about $510,000,000. Between February 28, 1878, and July 1, 1885, the amount of silver was increased by coinage by about $210,000,000. Deducting the increase of silver from the total increase of both gold and silver, shows an increase of gold in the United States of about $300,000,000 since the passage of the Act of 1878—an average increase of about $3,448,000 a month.

THE CONSPIRATORS TAKE ADVANTAGE OF THEIR OWN WRONG.

The argument against silver, founded on its present depreciated value as compared with gold, is unfair. It is an

attempt on the part of the enemies of silver to take advantage of their own wrong. When the war on silver commenced, the amount of silver necessary to make a silver dollar (as before stated) was worth three cents more than the amount of gold required to make a gold dollar. The combined power of $75,000,000,000 of bonds and twenty-seven hundred national banks has depressed the market value of silver, as compared with gold, more than 25 per cent. The active co-operation of the President and his advisers with the bondholders and the national banks has depressed the market value of silver since the 4th of March last as much as 5 per cent. The President now points to the difference in the market value of silver and gold, produced by himself and the powers he serves, as a reason why there should be no further opposition to the utter demonetization of silver, and the final consummation of a crime against civilization which will entail burdens upon the people too grievous to bear.

CONTRACTION AND THE EFFORT TO DEMONETIZE SILVER THE CAUSE OF HARD TIMES.

It is true that enterprise is at a standstill, and that industry is paralyzed and millions are unemployed. What has caused this deplorable state of affairs? It is not inflation, because now is a time of contraction. According to the "American Almanac" for 1885, there was an increase of the amount of money in actual circulation among the people, between November 1, 1879, and November 1, 1882, of about $118,000,000. This increase substantially corresponded with the ratio of increase of population, and it was a period of great prosperity. From November 1, 1882, to November 1, 1884, there was a decrease in the currency in circulation among the people of about $45,000,000. The decrease in the circulation from November 1, 1884, to November 1, 1885, we have no means of accurately stating, but we know it was much greater than in any preceding year. It is safe to say that

the amount in actual circulation among the people to-day is more than $100,000,000 less than it was three years ago, while the demand for circulation has increased with the increase of population. The "vast army of the unemployed" bear witness to the evil effects of this contraction. The paralysis of business, produced by contraction, has been aggravated by the declared purpose of the present administration to demonetize silver and contract the world's money to the gold standard. Well may capital timidly shrink from trade, and investors be unwilling to take the chance of purchasing property when a promise is made to them by a powerful administration that silver shall be demonetized, property and labor made cheaper, and gold made dearer. Why should not capitalists hoard gold, and refuse to invest in property, when the administration proposes to enhance the value of money, and depress the price of property.

ROBBERY IN THE NAME OF PATRIOTISM.

The message contains an appeal to the patriotism of the country to do an act which would rob the taxpayer and enrich the bondholder. The message does not in terms assert that the bonded indebtedness of the United States is payable in gold alone, but appeals to all good citizens not to pay gold obligations in silver. We call particular attention to the following remarkable passage in the message:

"The condition in which our Treasury may be placed by a persistence in our present course is a matter of concern to every patriotic citizen who does not desire his Government to pay in silver such of its obligations as should be paid in gold; nor should our condition be such as to oblige us, in a prudent management of our affairs, to discontinue the calling in and payment of interest-bearing obligations which we have the right now to discharge, and thus avoid the payment of further interest thereon."

Whom is the President accusing of bad faith? Did any advocate of silver ever propose to violate the obligation of

contracts? or pay gold obligations in silver? What does the President mean by "such of its obligations as should be paid in gold?" If he means the bonded indebtedness of the United States, why does he not so declare? If he can show that the people of the United States are under any legal or equitable obligation to pay that debt in gold, all patriotic citizens will join him in requiring its payment in that metal, at any cost. But the President knows very well that every dollar of the interest-bearing debt of the United States may lawfully be paid in either gold or silver.

The Act authorizing payment in either gold or silver is printed on every bond. When the bondholders first put forward their preposterous claim for payment in gold alone, the Congress of the United States immediately took the matter under consideration and passed a concurrent resolution, after exhaustive debate, which we commend to the consideration of the President. The resolution to which we refer passed the Senate on the 25th day of January, 1878, by a vote of 42 ayes to 20 noes, and was concurred in by the House on the 28th day of the same month by a vote of 189 ayes to 79 noes. It is as follows:

Whereas, By the Act entitled "An Act to strengthen the public credit," approved March 18, 1869, it was provided and declared that the faith of the United States was thereby solemnly pledged to the payment, in coin or its equivalent, of all the interest-bearing obligations of the United States, except in cases where the law authorizing the issue of such obligations had expressly provided that the same might be paid in lawful money or other currency than gold and silver; and

Whereas, All the bonds of the United States authorized to be issued by the Act entitled "An Act to authorize the refunding of the national debt," approved July 14, 1870, by the terms of said Act were declared to be redeemable in coin of the then present standard value, bearing interest payable semi-annually in such coin; and

Whereas, All bonds of the United States authorized to be issued under the Act entitled "An Act to provide for the

resumption of specie payments," approved January 14, 1875, are required to be of the description of bonds of the United States described in the said Act of Congress, approved July 14, 1870, entitled "An Act to authorize the refunding of the national debt;" and

WHEREAS, At the date of the passage of said Act of Congress last aforesaid, to wit: the 14th day of July, 1870, the coin of the United States of standard value of that date included silver dollars of the weight of 412½ grains each, declared by the Act approved January 18, 1837, entitled "An Act supplementary to the Act entitled 'An Act establishing a mint and regulating the coins of the United States,'" to be a legal tender of payment, according to their nominal value, for any sums whatever; therefore,

Resolved by the Senate (*the House of Representatives concurring therein*) That all the bonds of the United States, issued, or authorized to be issued, under said Acts of Congress, hereinbefore recited are payable, principal and interest, at the option of the Government of the United States, in silver dollars, of the coinage of the United States, containing 412½ grains each of standard silver; and that, to restore to its coinage such silver coins as a legal tender in payment of said bonds, principal and interest, is not in violation of the public faith, nor in derogation of the rights of the public creditor.

We ask: What patriotic citizen would again change the contract between the bondholder and the people and convert an obligation payable in silver or gold into a contract for the payment of gold alone? Does the President advocate such change? If the change must be made, let it be made directly and not indirectly. If there is no respect for the obligation of contracts, pass a law for the payment of the bonds in gold or platinum, or anything else that the bondholder may demand, but do not do it by demonetizing silver and depriving the people of a sufficient circulating medium. The declaration of the President that he would advocate the conversion of contracts payable in silver into contracts payable in gold has already prostrated the industries of the country. What does the President mean by saying that the

condition of the Treasury may be such if the coinage of silver is not stopped as to oblige us to discontinue to call in and pay interest-bearing bonds? There is a large amount of overdue bonds outstanding. Does he mean that there is no money in the Treasury with which to pay them, when he at the same time reports an enormous surplus of idle money incumbering the vaults of the Government? Does he really mean that the Treasury officials with his approval will continue to refuse to call in and pay bonds in silver according to the letter and spirit of the law of July 14, 1870, under which they were issued? Is the Chief Executive faithfully executing the law when he hoards silver with which the bonded debt is payable, and allows interest to accumulate on overdue bonds? Or is he subserving some interest antagonistic to the people?

THERE ARE WIDOWS AND ORPHANS WHO HAVE NO BONDS.

The allusion of the President to the debtor class is unfortunate. The intimation that a debtor is dishonest who claims the right to pay according to the terms of his contract is unjust. The President, however, seems to realize that the sympathies of mankind may be on the side of the toiling masses, whose burdens must necessarily be increased by the enormous contraction which he proposes in the demonetization of silver. To avoid the effect of such sympathy, and to keep from view the real beneficiaries in the scheme to contract the world's money by the demonetization of silver, he puts forward in the place of the Rothschilds and the Vanderbilts, poor widows, orphans and helpless beneficiaries. He says (if the coinage of silver were continued):—

"The pittance of the widow and orphan and the incomes of helpless beneficiaries of all kinds would be disastrously reduced."

The President seems to forget that there are poor widows and orphans who have no bonds. He also ignores the fact

that the bonds of the United States are to-day worth three times as much as when they were originally issued; that it now requires three times the amount of labor to buy a dollar in either gold or *silver* that it did in 1863 to buy a dollar in United States bonds.

It is an insult to the intelligence of the people to argue that the poor and not the rich are the owners of bonds. The President ought to reflect that if the burdens of the laborer are increased by the manipulations of bondholders and national bank managers the food and clothing of poor widows and helpless orphans who have no bonds will be "disastrously reduced."

THE "VAST ARMY OF THE UNEMPLOYED" ARE EARNING NO MONEY TO DEPOSIT IN SAVINGS BANKS.

The President appeals to depositors in savings banks, and tells them that if they are not paid in gold, when they deposit paper or silver, they will be wronged. The depositors in savings banks are laborers. They earned their money when there was an abundant circulating medium and when the circulation consisted of gold, silver and paper. Then the army of the unemployed was not vast, and did not include millions who were willing to work. The depositors in savings banks are honest, and they are satisfied to be paid in the same kind of money which they deposited. They are laborers, and the contraction which the demonetization of silver would produce would throw them out of employment, and force them to consume their present accumulations before good times can come again. No laboring man desires to increase the bondholder's power, or subject himself or his posterity to slavery to enrich a favored few. The President ought to know that if silver is demonetized, and the gold standard adopted, there will be no end to contraction, no end to depression of business no end to low wages and starvation and suffering among the masses.

CONSPIRACY TO MAINTAIN BONDED ARISTOCRACY AND SUBSIDIZED BANKS.

Is it possible that the President of the United States is really scheming to demonetize silver for the purpose of increasing the power of the national banks? Does he really intend that the national bank circulation shall take the place of silver, and that millions shall be added to the annual subsidy which those powerful corporations now receive? Why does not the present administration call in the bonds that are due, and relieve the Treasury of its surplus revenue? Why invent schemes for increasing the expenditures of the government, or for reducing its revenues, while unpaid, over-due bonds remain subject to call? Why has the present administration refused to apply the surplus in the Treasury to the payment of the public debt? Is it possible that there is a conspiracy on foot in the interest of the national banks and the bondholders to keep the existing national debt afloat, and increase it, if possible, so that a bonded aristocracy can be maintained in the United States, and the national banks furnished with an ample supply of United States bonds to enable them to increase the enormous subsidy which they now enjoy, and maintain permanent control of the political as well as the financial power of the government? It is manifest from the President's message that all patriotic citizens ought to unite in resisting the combined power of the bondholders and national banks, which have for years controlled all national administrations, and threaten to subvert the liberties of the people.

The President's message has spread gloom and apprehension over the Pacific Coast. The refusal of the Treasury officials to execute the law of 1878 in good faith was familiar to the mining States and Territories. They were annoyed by the vexatious and arbitrary rules of the Treasury Department, which deprived them of silver as a circulating medium. They could see no reason why silver coin needed here could not be exchanged for gold by the Sub-Treasury without

applying to Washington in each case for authority to make the exchange; nor could they see why silver coin needed here should be shipped to New York or Washington at great expense, and withheld from circulation among the people. But they did not imagine for a moment that the President of the United States was a party to such disreputable transactions. They do not now believe that he is guilty of any intentional wrong, but they fear what is equally disastrous to the best interests of the country, that he is misled, deceived and imposed upon by the unscrupulous and artful misrepresentations of the bondholders and national banks.

MANY WHEAT GROWERS AND COTTON PLANTERS ESPECIALLY INJURED.

We call the attention of the President to the fact, that, in addition to the general depression of business and the great injustice to the people which would be effected by the demonetization of silver, there are three great industrial classes of the United States who would be especially injured thereby, to wit: gold and silver miners, cultivators of wheat and planters of cotton. The great wheat and cotton producing empire of India, with its 250,000,000 of population, has silver for its circulating medium. All products of India are bought on the silver basis. Wheat and cotton are purchased in India with silver and sold in Europe for gold. The difference between silver and gold in London is about 25 per cent. This difference gives the wheat or cotton merchant of India 25 per cent. advantage in the European markets over the merchant of the United States dealing in those commodities. The rapid accumulation of the wealth of the merchants of San Francisco who, during the civil war, bought goods in the East with greenbacks worth 50 cents on the dollar in coin, and sold the same goods on the Pacific Coast for gold, illustrates the advantage which the merchant of India has when he buys

wheat or cotton at home for silver, and sells it in Europe for gold.

The cotton planters of the South and the wheat-growers of the Northwest and of the Pacific Coast have suffered in their European market for several years by a ruinous competition with India, resulting from cheap silver and dear gold. If the law of 1878 is repealed and the price of silver still further reduced, the advantages of the importer of wheat and cotton from India over the importer of the same articles from the United States in every European market will be greatly increased.

No one will deny that the demonetization of silver would stop silver mining, but the fact that it will also stop one of the principal supplies of gold is not generally understood. Most of the great silver mines of the world contain a large percentage of gold. The average amount of gold in the ores of the Comstock exceeds forty per cent. of their value. If silver mining is stopped it will not pay to work the so-called silver mines for gold alone. The silver mines will be closed down, and a source of supply which furnishes a large percentage—perhaps one-half—of the annual product of gold in the world will be cut off.

Every industry in the United States will be injured by the demonetization of silver. The only possible good that has been or can be suggested from this attack upon silver is to enhance the value of bonds, and furnish an excuse for further subsidies to national banks. The government of the United States does not exist for these two favored classes alone, and the time will come when the people will rise against the now apparently overwhelming power of the combination of European syndicates and American bankers.

W. M. S.